GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3272
ANSWERED ON:12.05.2006
UTILILSATION OF FOREIGN FINANCIAL ASSISTANCE
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Will the Minister of FINANCE be pleased to state:

(a) whether a sizeable level of foreign financial assistance remain unutilized;

(b) if so, the details thereof alongwith the reasons for non utilization of such assistance, sector-wise;

(c) the details of commitment charges paid to various foreign agencies as a result of non utilization of such foreign assistance during the last three years; and

(d) the steps taken by the Government for timely utilization of such assistance?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a),(b)&(d) A total amount of Rs 61,023.70 crores committed as foreign loan assistance on Government account, was not drawn as on 31st March, 2006. However, utilization of the sanctioned foreign assistance for any project is a continuous process spread over its implementation period. As a result, there would be some unutilized amount at any point of time; these amounts will be utilized as the Project implementation progresses. Moreover, the project implementation authorities like the Central Line Ministries / Departments, State Governments work under diverse constraints. Some of the steps taken by the Government to improve aid utilization are ensuring adequate provisioning for externally aided projects in the budgets of the State and Central Government, streamlining of procurement procedures, disintermediation of the flow of external aid to Central Public Sector Undertakings, strengthening of Project Monitoring Units in some States and Central Ministries, appointment of Nodal Officers for the States and regular review of projects etc. Sector wise details of foreign loan assistance remaining unutilized as on 31.03.06 are at Statement-I.

(c) Details of the commitment charges paid to various foreign agencies as a result of non-utilization of the foreign assistance during the last three years are at Statement-II.

Statement-I

Statement referred to in reply to part (b) of Lok Sabha Unstarred Question No. 3272 dated 12th May 2006 regarding utilization of Foreign Financial Assistance

Unutilized balance of foreign loans as on 31.03.06

(Figures in Rs. Crore)

Sector	Unutilized balance of foreign loans as on 31.03.06
Agriculture and Rural Development	3493.78
Energy	13651.59
Environment & Forests	2073.26
Fertilizers	0.62
Health	1181.61
Industry and Finance	85.23
Infrastructure	19485.48
Social	2812.65
Structural adjustments	156.21
Urban Development	9770.16
Water resources management	6292.26
Water supply and management	309.57
Others	3784.56

Statement-II

Statement referred to in reply to part (c) of Lok Sabha Unstarred Question No. 3272 dated 12th May 2006 regarding Utilization of Foreign Financial Assistance

Commitment Charges paid for non-utilization of foreign assistance

(Figures in Rs. Crore)

Development partner	2003-04	2004-05	2005-06
Germany	8.99	2.07	1.85
France	0.021	0.00	0.00
Asian Development Bank	38.22	45.10	53.42
IBRD	40.18	36.11	35.7
IDA	5.72	81.82	57.17